

# Eliminating the Trouble Brewing at a Local Coffee Manufacturing Operation



## The Challenge:

After two years of rapidly deteriorating claims experience on the workers compensation, a regional Insurance Company issued notice of non-renewal to a local coffee manufacturer. Facing substantially increased insurance costs due to the increase in experience modification as well as the NJ Assigned Risk Surcharge, the insured partnered with Hardenbergh Insurance Group to get the Workers Compensation Program back in check.

## The Strategy:

In this particular instance, claims were driven by severity rather than frequency, so a full loss analysis was not necessary. The adverse experience was the result of three rather large claims during the past two years. In the insurance industry these claims that are severity driven are known as shock losses. Our focus became preventing similar reoccurrences and explaining to the insurance carriers that these were isolated events unlikely to reoccur. In addition to this and as a part of improving the overall quality of the risk we also implemented the following loss control measures:

- Formation of Safety Committee
- Formation of Return to Work Program
- Implement Employee Incentive Program
- Develop Accident Investigation Procedures
- Developed a Personal Protective Equipment Policy
- Implemented Drug Testing Procedures – Before Hire, After Accident, Random
- Developed Cell Phone and Distracted Driving Policy
- Developed Seatbelt Policy
- Implemented Pre-employment Physicals
- Provided Monthly Tool Box Talks
- Brought Repeat Offenders to Attention of Management

## The Results:

Our explanation of the specifics of the claims – as well as the implementation of the above loss control measures – have allowed us to put the insured in a position to avoid insuring through the NJ State Assigned Plan.

